

IN THE UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

DOUGLAS W. BAILLIE, )  
Plaintiff, )  
vs. ) No. C-1-02-062  
CHUBB & SONS INSURANCE, )  
Defendant. )

The deposition of TIMOTHY JAMES SZERLONG,  
called for examination, taken pursuant to the  
Federal Rules of Civil Procedure of the United  
States District Courts pertaining to the taking of  
depositions, taken before ZONA B. MILLER, a Notary  
Public within and for the County of Lake, State of  
Illinois, and a Certified Shorthand Reporter of  
said state, at Suite 6150, 233 S. Wacker Drive,  
Chicago, Illinois, on the 19th day of August, A.D.  
2003, at 10:17 a.m.

COPY

1 Q. Anything else?

2 A. No.

3 Q. Let's direct your attention to the  
4 people management. That's why you fired him was  
5 because of people management?

6 A. That's one of the reasons.

7 Q. What were the other reasons?

8 A. Doug was having an extremely difficult  
9 time in people management differentiating  
10 effectively in dealing with performance of key  
11 people, dealing with effectively communicating and  
12 providing leadership and balanced direction to all  
13 levels of staff under his command.

14 Q. You're talking about people management?

15 A. No.

16 Q. Oh. Those are separate and apart from  
17 people management --

18 A. Yes.

19 Q. -- what you just identified?

20 A. Yes.

21 Q. He's having trouble --

22 A. I think leadership.

23 Q. You're telling me -- in the Chubb way  
24 of doing things, does the quality of leadership

1 fall under people management or someplace else?

2 A. It falls in a variety of areas.

3 Q. Okay. Anything else? Any other reason  
4 why you fired Mr. Baillie other than what you've  
5 already identified?

6 A. Doug's responses to my direction and  
7 coaching were unresponsive and he ultimately lost  
8 my confidence and trust.

9 Q. Anything else?

10 A. No.

11 Q. He lost your confidence and trust by  
12 way of his responses to your attempts to coach  
13 him?

14 A. He lost my confidence and trust by a  
15 combination of a failure to act on issues that we  
16 had discussed that required attention and in some  
17 cases the way in which he chose to act on other  
18 items were incomplete or ineffective.

19 Q. Any other way in which he lost your  
20 confidence and trust?

21 A. Only the areas that I touched on  
22 earlier have an effect on that confidence level as  
23 well. In terms of the communication with staff,  
24 the ability to deliver a balanced organizational

1 message to the people under his charge, that  
2 certainly influences that judgment.

3 Q. What issues did he fail to act on that  
4 made you lose confidence and trust in him?

5 A. His inability to deal with issues of  
6 performance with several key lieutenants that had  
7 clear-cut performance problems.

8 Q. Anything else?

9 A. The slow and ineffective engagement in  
10 managing issues in the Louisville production  
11 office.

12 Q. Anything else?

13 A. I believe his judgment that he  
14 exercised of the choices that he made in the  
15 forums he would choose to given issues in the  
16 presence of others.

17 Q. Anything else?

18 A. Doug had a very difficult time  
19 sometimes interpreting and understanding strategy  
20 and corporate directive and then effectively  
21 executing and communicating that within his  
22 branch.

23 Q. Kind of like the corporate directive,  
24 to put more emphasis on profitability rather than

1 in other areas of an employee's performance?

2 A. I would not use that as an example.

3 Q. Anything else?

4 A. No.

5 Q. What were the lieutenants that he had  
6 that had these issues of performance that you say  
7 he failed to act on?

8 A. Michael Whitman, Andrew Emery,  
9 Tom Gates, Andy Bryant, Rick O'Brien. Those are  
10 the primary names.

11 Q. Are there any secondary names that you  
12 know of?

13 A. I don't recall.

14 Q. What did you do about the performance  
15 issues of Whitman when you took over the branch?

16 A. I didn't take over the branch.

17 Q. Who assumed the responsibility for the  
18 branch when Mr. Baillie left?

19 A. Jerry Butler.

20 Q. Mr. Butler came in like on  
21 September 1st or 2nd.

22 A. Shortly after Doug was terminated. I  
23 don't recall the date.

24 Q. Who was in charge of the branch in the

1 that?

2 A. Because Doug's relationships with staff  
3 I do not believe were as strong as he believed  
4 they were.

5 Q. How many of his 360-degree feedbacks  
6 did you ever review?

7 A. I don't recall. I know we had a  
8 discussion on 360-degree feedback, but I don't  
9 recall if we ever reviewed any specific documents.

10 Q. You knew he had solicited a 360-degree  
11 feedback from his direct reports?

12 A. Yes.

13 Q. And you knew that he told you that the  
14 feedback was positive?

15 A. Yes.

16 Q. In fact, he prepared for you a summary  
17 of that feedback, do you recall that?

18 A. No.

19 Q. How did you reconcile -- you were  
20 getting some anecdotal evidence from Ms. Haggard  
21 and others that he had problems with staff, is  
22 that correct?

23 A. Yes.

24 Q. Did you ever make any attempt to

1 reconcile the fact that Mr. Baillie was reporting  
2 to you that he was getting very positive  
3 360-degree feedback with the anecdotal stories you  
4 were hearing from Ms. Haggard?

5 A. Yes.

6 Q. And did you -- in fact, what did you  
7 conclude when you attempted to reconcile those  
8 seemingly contradictory facts?

9 A. I would perhaps best summarize it as a  
10 consistent disagreement over the nature and  
11 effectiveness of relationships between Doug and  
12 his staff members.

13 Q. Who did you trust more, Ms. Haggard's  
14 reports of what other people said or what people  
15 actually said about Mr. Baillie's performance?

16 MR. MONTGOMERY: Objection, argumentative, it  
17 assumes facts not in evidence.

18 MR. FREKING: Strike that.

19 BY. MR. FREKING:

20 Q. You knew that Mr. Baillie when he  
21 referred to the 360-degree feedback was referring  
22 to feedback in writing from his direct reports, is  
23 that correct?

24 A. That is not my definition of 360-degree

1           A.       It was brought to my attention by  
2       Jim Ekdahl that he had been boasting about an  
3       automobile accident that occurred while driving a  
4       company vehicle in his former assignment in  
5       Pennsylvania and that alcohol had been involved in  
6       that and that he was sharing those stories with  
7       staff in Cincinnati.

8           Q.       After you heard this from Ekdahl, did  
9       you say anything to Baillie about it at all?

10          A.       Jim Ekdahl gave me the impression that  
11       it had been dealt with by human resources locally  
12       and Ms. Haggard had spoken with him about it.

13          Q.       The answer is no, you hadn't spoken to  
14       him about it?

15          A.       No.

16          Q.       Any other experiences about alcohol  
17       involving his judgment?

18          A.       I did address an issue with Doug upon  
19       an incident that was brought to my attention that  
20       occurred at an MVI meeting, I believe, in Jamaica,  
21       if my memory is correct, whereby Doug was observed  
22       to be arguing in a loud and belligerent state with  
23       his wife on the beach in front of several of our  
24       producers.



1           The incident was dramatic enough that  
2           it prompted the producers to call their Chubb  
3           executive representative upon return from the trip  
4           to express concern about the incident. And that  
5           incident was passed on to me by my counterpart in  
6           Dallas.

7           I confronted Doug on the issue  
8           immediately upon hearing about this and expressed  
9           my concerns about the perception.

10          Q.     Why did you confront Doug Baillie about  
11          that?

12          A.     Because I was concerned about the  
13          impression or impact it's created at a  
14          Chubb-sponsored meeting by an executive creating  
15          potentially that kind of impression.

16          Q.     And this was a performance-related  
17          issue because of his position with Chubb?

18          A.     Sure. Yes.

19          Q.     You wanted to talk to him and get his  
20          side of the story, et cetera, right?

21          A.     Yes.

22          Q.     When was this alleged confrontation?

23          A.     By "the alleged confrontation," you  
24          mean the incident in Jamaica?

1 BY MR. FREKING:

2 Q. Sir, you recognize this document as a  
3 document from you to Mr. Baillie dated March 9th  
4 of 2001?

5 A. Yes.

6 Q. Let me direct your attention to page 2.  
7 I want to direct your attention to the first full  
8 paragraph where it says: "The feedback I receive  
9 on your management meetings in Cincinnati has also  
10 been unfavorable." Do you see that?

11 A. Yes.

12 Q. Can you identify the people in the  
13 Cincinnati office who were elsewhere that gave you  
14 feedback concerning Mr. Baillie's management  
15 meeting?

16 A. I don't recall specific people.

17 Q. It says, "Your people are looking for  
18 more discussion, understanding," et cetera.

19 Do you know, are you referring to any  
20 particular people that you became aware of, you  
21 know, Mr. Korte, Mr. Barton, Mr. Breiner,  
22 Mr. Delong? Anybody in particular that you can  
23 identify as having these concerns about wanting  
24 more from Mr. Baillie, wanting him to do something

1 better than it was? Can you identify any single  
2 individual that worked for Mr. Baillie that  
3 thought he was substantially lacking in his  
4 management of him?

5 A. I think clearly the production office  
6 leaders, both Bryant and Bezold, given the unique  
7 nature of the jobs that they hold -- held, were  
8 looking for far more direction on how to execute  
9 those positions.

10 Q. Anybody else?

11 A. I think a number of managers in the  
12 office were looking for greater interests,  
13 engagement or understanding in their business to  
14 help guide them in the operational issues that  
15 would fall in their area.

16 Q. Anybody that you can identify?

17 A. I don't recall.

18 Q. The paragraph above that it says, "You  
19 are perceived as rather black and white in your  
20 judgment process." Do you see that sentence?

21 A. Yes.

22 Q. Who are you talking about as perceiving  
23 him in that manner?

24 A. Well, me, for one. Clearly Delong and

1 Breiner viewed him in that way.

2 Q. Delong and Breiner?

3 A. Yes.

4 Q. Anybody else?

5 A. I think Doug was viewed that way at  
6 home office level as well as in terms of his  
7 interface with various operatives within the home  
8 office.

9 Q. How did you know that or how did you  
10 think that?

11 A. It would be discussions on Cincinnati  
12 issues with those people.

13 Q. Who were those people?

14 A. I would say Paul Crump, and there are  
15 others, but I don't recall them.

16 Q. Do you have any notes that would  
17 refresh your recollection on that?

18 A. No.

19 Q. Let me ask you a little bit about how  
20 Mr. Baillie and you interacted over years and just  
21 some of the opinions you formed about  
22 Mr. Baillie's personality.

23 What would you say about Mr. Baillie's  
24 degree of kind of flexibility? You know what I

1 Q. Would you agree or disagree that you  
2 began a -- the progressive discipline practice  
3 with respect to Mr. Baillie in calendar year 2001?

4 A. I would agree that I conducted a  
5 performance improvement discussion and plan with  
6 Doug beginning in 2001.

7 Q. Are there any other branch managers  
8 that we talked about before, the 14 or so that you  
9 have similarly implemented a performance  
10 improvement discussion of a plan that you can  
11 recall in the last five years? And why don't we  
12 just take them one by one. Okay? Tim Shannahan?

13 A. No.

14 Q. Lee Topps?

15 A. No.

16 Q. Richard Ciullo?

17 A. No.

18 Q. Susan Waltermire?

19 A. No.

20 Q. Tom Breiner?

21 A. Yes.

22 Q. Gary Delong?

23 A. No.

24 Q. Jim Darling?

1 A. No.

2 Q. Mike Howey?

3 A. No.

4 Q. Kevin Smith?

5 A. No.

6 Q. Casella?

7 A. No. Lee Topps you missed.

8 Q. Lee Topps?

9 A. No.

10 Q. Have you ever consulted with anyone in  
11 HR as to what the percentages mean on the balance  
12 scorecard or performance appraisals in particular  
13 areas, the weightings, to get any kind of  
14 description of what that means?

15 A. I don't recall any.

16 Q. Is there anything in writing that  
17 you're aware of that describes the company's  
18 scorecard system?

19 A. I'm certain there is.

20 Q. Are you relatively certain that you've  
21 read it --

22 A. Yes.

23 Q. -- at some time in your career?

24 A. Yes.

1 manager is to collaborate and work within the  
2 organization to advance issues in business that  
3 help the branch run effectively.

4 In my dealings within the organization,  
5 Doug had much lower levels of credibility with  
6 people in more senior roles in home office than  
7 did other branch managers, and that comes in part  
8 from some of the approach issues and some of the  
9 items that I've mentioned about his leadership and  
10 management skills.

11 Q. So you're saying he had lack of  
12 organizational support at the home office level  
13 among others?

14 A. Yes.

15 Q. Who at the home office level questioned  
16 his abilities?

17 A. I don't recall specifically.

18 Q. Can you recall anybody?

19 A. I had mentioned earlier Paul Crump.

20 Q. What did Mr. Crump tell you?

21 A. That Doug appears to be a good  
22 tactician, relatively black and white in dealing  
23 with issues as opposed to a more thoughtful  
24 strategist in our business. Something along those